

Smartlink US Dollar Managed Fund

June 2017



BLOOMBERG: AZUSMGD:IJ

INVESTMENT OBJECTIVE

The objective of the fund is to provide relatively stable income with capital preservation for the long term in U.S. Dollars.

INVESTMENT STRATEGY

To achieve the investment objective, this fund shall be invested 0-20% in short-term instruments (such as deposits), and 80-100% in the medium-or long-term instruments (such as government bonds, corporate bonds, and / or fixed-income funds), in U.S. Dollars.

PERFORMANCE INDICATOR

Return Performance

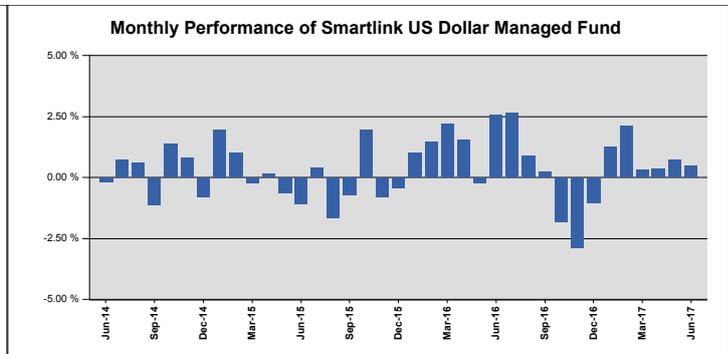
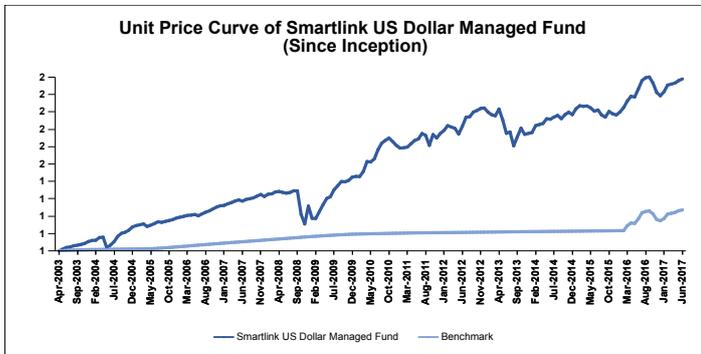
Last 1-year Period	3.13%
Best Month	9.61% Dec-08
Worst Month	-10.66% Oct-08

Portfolio Breakdown

Treasury Bonds	73.67%	Top Five Bonds Holding	
Govt. Related Bond	9.25%	RI-2038	7.00%
Cash/Deposit	17.08%	RI-2024	5.71%
		RI-2026	4.32%
		RI-2021	4.30%
		RI-2044	3.91%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink US Dollar Managed Fund	0.48%	1.56%	5.32%	3.13%	13.83%	5.32%	107.54%
Benchmark*	0.40%	1.68%	5.67%	4.68%	11.99%	5.67%	25.52%

*80% Bloomberg USD Emerging Market Indonesia Sovereign (BEMSID) Index and 20% Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank
(Benchmark assessment; before Mar 2016: Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank)



KEY FUND FACTS

Fund Size (in mio USD)	: USD 49.98
Risk Profile	: Moderate
Launch Date	: 07 Apr 2003
Fund Currency	: United States Dollar
Managed by	: PT Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily
Price per Unit (As of Jun 22, 2017)	: USD 1.9716
Bid-Offer Spread	: 5.00%
Management Fee	: 1.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Jun 2017 inflation at 0.69% mom (vs consensus 0.60%, 0.39% in May 2017). On yearly basis, inflation was slightly higher to +4.37%yoy (vs consensus 4.29%, 4.33% in May 2017). Core inflation was printed at +3.13% yoy (vs 3.20% in May 2017). Higher inflation was due to seasonally higher food prices during the Ramadan period. In the Board of Governors' Meeting on 14-15 Jun 2017, Bank Indonesia maintained the BI 7-day (Reverse) Repo Rate (BI-7 day RR Rate) at 4.75%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.00% and 5.50% respectively. Rupiah appreciated by +0.02% to 13,319/USD at end of Jun 2017 from 13,321/USD in previous month. Trade balance booked a surplus of USD 0.47bn (non-oil and gas surplus USD 1.03bn, oil and gas deficit USD 0.56bn) in May 2017. Export rose by +12.63% YoY mostly driven by engine and mechanical equipment, while imports rose by +24.03% YoY.

USD government bond yields closed mixed across the curve in June 2017 with lower yield in short to middle tenor and slightly higher yield in long tenor. Despite of some profit taking action before the ECB meeting, UK election and ex-FBI chief testimony on President Trump, market started quiet good with support mostly came from onshore players; while offshore buying supports came in the second week. The FOMC announcement of +25bps rate hike which as market expected. It was actually half month activities; the market turned quiet in the third week and stayed unchanged until end of the month as everyone were recalculating their risk ahead of Ramadan long holiday. Indonesia's CDS 5yr level was better from 123/125 to 118/121. The 5Y yield Jun 2017 ended -2bps lower to 3.10% (3.12% in May 2017), 10yr tenor ended +3bps higher to 3.75% (3.72% in May 2017), and 30yr ended +2bps higher to 4.68% (4.66% in May 2017).

In regards to our recent portfolio strategy we maintain duration strategy (below benchmark duration) and will opportunistically add weight again should there be a correction in the fixed income market.